C O P Y

TO : Chairman, IDC

FROM : Contact Division. CIA

SUBJECT: Alien Industrial Security Clearances

REFERENCE: (a) Our memoranda dated 15 November and 5 December 1955

(b) Department of the Navy memorandum to Chairman, IDC, dated 23 February 1956

1. The Contents of the Navy Department's memorandum, as referenced, wherein it applies to Sergei Schebalin's Alien Industrial Clearance, was discussed with our Wilmington, Delaware office. It was learned through recent talks with H. F. Dever, President of Brown Instrument Division of Hinneapolis Honeywell Regulator Company, that his firm has been continuously engaged in government contract work since 1946. Dever further amplified these statements by adding that his company has never been without work for ABC. Navy or Air Force. Brown Instrument Division does both prime and sub-contract assignments for the above mentioned services. It appears to us that the Interagency Defector Committee did not have complete information on this during their deliberation of Schebalin's case.

- 2. Mr. Dever has taken a personal interest in Schebalin's difficulties and still maintains that a lack of appropriate clearance for Schebalin is definitely a handicap. Schebalin, he said, has made outstanding progress but they are unable to fully utilize his professional potential because of lack of clearance.
- 3. The memorandum from the Navy Department further indicates that an immigrant alien who files a declaration of intention to become a citizen may be granted a clearance upon completion of a satisfactory investigation. It goes on to explain that in some cases it is impossible to conduct a background investigation. It appears that Schebalin falls within the province of these regulations, however, it is our firm belief that Schebalin's background prior to agency association, and his extremely confidential duties during his services with CIA have been satisfactorily tested. In addition, we believe there is sufficient information which has been submitted through your office which can be relayed to the various IDC members to conduct a sufficient background investigation.
- 4. It is, therefore, recommended that Schebalin's case be resubmitted for review by the Lapartment of the Navy or to other members of the military capartments with a view to granting some type of provisional clearance or "limited access authorization" to permit Schebalin to fully utilize his capabilities in his present employment.

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